

## **Durham Civic Center Authority Meeting Minutes**

Tuesday, March 18, 2008

8:00am

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The meeting was called to order at 8:00am with the following members present/absent:

Present: Patrick Byker, Robert Sinclair, Henry Sims and Rob VanDewoestine,

Owner's representation: Heidi York, Harmon Crutchfield, Karmisha Wallace, Micheal Lynch, and Sheila Huggins

Management Company present: Ken Lile, Dave Messinger and Jamie Frydlo

Motion of approval for February 19, 2007 minutes moved by Patrick Byker, seconded by Robert Sinclair, voted and agreed upon by all.

### **Action Items from January meeting**

- Mr. Lynch will provide requested supporting documentation for the Owners representatives, which clarifies the scope of work regarding the HVAC replacement for correspondence with Shaner. Mr. Lynch has been in discussion with Skanska on retrieving this information. [Ms. DeShazo and Mr. Lynch completed this item and forwarded it to the owners.](#)

### **Meeting Details**

#### **Capital Project Update:**

Mr. Lynch began HVAC coordination with the CMAR, Mr. Lile and his staff with weekly construction meetings. Skanska is working with some unforeseen conditions in association with the fire alarms. Staff does not foresee any major issues in getting through the remainder of the project.

The issue with the kitchen fan shut down was resolved with a plan from Skanska that reduced the four day shut down originally planned for the kitchen exhaust to 14 hours. This is now a time that can be managed around kitchen operations.

With the Ballroom partitions coming in later than planned installation was going to interfere with booked events. The solution is to extend Skanska's contract for thirty days into a time when the Ballroom is not booked. The \$24,000 cost of contract extension is substantially lower than the total amount of events booked and allows ample time to complete the project. Mr. Lile signed and presented a letter of agreement to Mr. Lynch making ballrooms 102 and 103 available for completion for thirty additional days, but this means he loses half of the Ballroom capacity for the additional 30 days.

The Civic Center construction is within budget and on schedule at approximately 30% completion; new sheetrock walls, new chandeliers and folding partitions are complete in the old Exhibit Hall. Carpet is presently being installed.

The CMAR discovered an issue with the wall coverings in the Exhibit Hall. Additional wall covering is on order at no additional cost to the Owners, but will not arrive prior to Fullframe's event. The walls will be painted until all wall coverings have arrived. Skanska will need an additional two to three days outside of the phasing schedule to complete the work.

Mr. Lynch stated he invited Fullframe to the March 19, weekly construction meeting to review status of renovation.

The ADA restrooms are not complete due to a plumbing issue in the men's restroom. The CMAR will need an additional two to three days for completion. The women's restroom will open on March 18.

Mr. Frydlo reiterated concerns of maintaining the set schedule during the remainder of the project because of the events booked at the times construction was forecast to be complete.

**The loading dock doors** are not complete after several months of installation. This job began in July but has not been completed in a satisfactory manner and the vendor is refusing to complete without additional money. It turns out that the unpaid balance is enough funding to finish the job using another vendor. The doors are functional and remaining work includes leveling loading doors and providing proper casing for the walk through entrance door. The Mr. Messinger is dissatisfied with the vendor's service and wishes to discontinue future business. He requested the City's policy on handling business with vendors who do not render satisfactory service.

**CIP Submission:**

The Civic Center 2008/09 CIP \$6,036,000 submission combines the 2007/08 unfunded amount of \$5,652,848 with kitchen tile replacement, a new sound system, room-in-use indicator lights and lobby tile replacement.

**Lease Agreements update:**

A new lease agreement has been prepared to move S & H Transportation into a larger rental space clearly defined as Owners space. The lease has been reviewed with comments by the City Attorney and forwarded to the County Attorney. It is on the March 20 work session agenda pending approval by City Officials.

Shaner wishes to use the space S & H is currently in as a coat check closet, which is currently in the area they request for a fitness center. Per contract, this space is shared between Owners and Shaner and will not need a lease agreement.

In addition, Shaner expresses desire to construct a fitness center in an area designated as Owners space by the City and County Attorneys in February 2007 when Shaner requested a gift shop for that same space. The Attorney's are currently revisiting ownership. A lease agreement will need to go before both City and County Officials for approval.

**2008 – 09 Fiscal Year Budget** – A budget was redistributed to the Authority by Shaner with a request for a public subsidy of \$874,130. The Authority on a quorum vote of five approved the 2008/09 Civic Center Budget via email. The City/County meeting to discuss the Civic Center Budget is scheduled for March 25 at 11:40am.

**Joint City/County meeting** – The joint City/County board would like the Civic Center Authority and Owners to prepare a mission statement and submit for their review. The Civic Center appraisal showed there was likely no market for an entity, which operates at the current loss. Ms. Wallace stated there was disappointment regarding the inability to obtain assistance in producing a business plan; particularly to increase revenues.

### **Management Company Status Report**

Mr. Lile reported damage to equipment in the facility (motors damaged etc.) resulting from an electrical power surge during the week of March 10.

The Management Company hired a corporate sales manager to build the Corporate, Association and Duke Markets. February brought in new business with an increased government per diem room rate. Various university athletic contracts are in process with four new wedding bookings for 2008.

The Civic Center operating results for February showed revenue \$3,936 lower than budget and net income \$24,037 lower than budget due to construction. Business is forecast better than budget in May, but the 2007-08 forecast deficit is now predicted to be \$968,896. This increase will require a vote from the Board as the number is finalized. Mr. Messinger is calculating the construction impact a couple of different ways for board review at the April meeting.

### **Name Change Roll-Out**

Mr. Frydlo is continuing with plans for the name change as renovation construction is completed

**Durham Portraits** – Mr. Jerry Schuster presented portraits he painted of Mayor Bell, Reyn Bowman and Bill Kalkhof with a proposal displaying the portraits at the Civic Center. After the meeting, he and Mr. Lile did a walk through viewing possible areas, but a decision was not made at that time.

### **Agenda for next meeting**

- Status of Capital projects
- Management report
- Budget Amendment/Fund Balance
- Future CIP status and plans
- Civic Center Mission Statement proposal
- Comparison with Greensboro, Winston-Salem and Charlotte meeting facilities
- Business plan proposal